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NEWSPAPER

Advertising Age

October 30, 1989

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LAST MINUTE NEWS

Y&R's Klein steps aside

NEW YORK—Arthur Klein has stepped aside temporarily as president of Young & Rubicam's New York office in the wake of his indictment in the Jamaica tourism case (AA, Oct. 9).

The agency said Mr. Klein will work with Y&R Chairman-CEO Alex Kroll on joint ventures and acquisitions as time allows while he defends himself against federal bribery and racketeering charges in the coming months.

The defendants, including Y&R, have pleaded innocent. Until Mr. Klein can return, his responsibilities for the New York office and Y&R's direct-marketing and promotion units will be assumed by Y&R President Peter Georgescu.

At the same time, Steven McKenna, who faces perjury charges in the Jamaica case, has been transferred to Y&R's finance department from his job as chief financial officer of Wunderman Worldwide.

McElligott to Chiat shop?

VENICE, Calif.—Tom McElligott, founder and former creative director of Fallon McElligott, Minneapolis, is in negotiations for a job at Chiat/Day/-Mojo, sources said.

Last week, Chiat lost its New York creative director, Bill Hamilton, to Ogilvy & Mather *(see story on Page 3)*. Chiat President-Executive Creative Director Lee Clow would neither confirm nor deny the talks, but both he and agency Chairman Jay Chiat are said to be friendly with Mr. McElligott. "He would be right for any job," Mr. Clow said. "He's a tremendous talent." Mr. Clow said he's considering a number of options in the New York creative department, including promotions from within and a transfer of Venice-based VP-Associate Creative Director Michael Smith to New York.

Mr. McElligott couldn't be reached for comment, but a source close to him said he didn't think he'd made up his mind yet.

Mr. McElligott left Fallon McElligott in 1988 after spending time in an alcohol rehabilitation program. His contract with Scali, McCabe, Sloves, which acquired a majority of Fallon in 1986, contains a non-compete clause that won't expire until next February.

'Channel One' signs 500

KNOXVILLE, Tenn.—Christopher Whittle last week said 500 schools

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Auto marketers face severe category ad clutter as spending soars.

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People meters are starting to change the way TV advertising is bought and sold.

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Richard Dillon predicts Hispanic agencies are facing a rough road.

Media buyer eyes U.S.

France's Carat considers buyout or affiliation

By Peter S. Green

Paris-based Carat Holding, Europe's No. 1 media-buying group, will enter the U.S. by the first quarter of 1991, says Eurocom President Alain de Pouzilhac.

Carat will either acquire an existing U.S. media-buying company or affiliate with one, he said.

Eurocom is a major shareholder of WCRS Group, Carat's owner, and a major Carat client via its new international agency network, Eurocom WCRS Della Femina Ball, or EWDB.

Mr. de Pouzilhac said that in the U.S. Carat will offer space-buying and media-study services, and that all space buying and related activities of EWDB's U.S. agency, Della Femina, McNamee WCRS, will pass through Carat.

He said HDM may also work with Carat in the U.S. "We'll discuss it with Young & Rubicam and Dentsu," he said, referring to Eurocom's two partners in HDM.

A. de Pouzilhac

The media-buying and advertising agency operations of Eurocom and WCRS Group are being realigned through a complicated exchange of cash and holdings (AA, Oct. 23).

Carat becomes 100%-owned by WCRS Group, London, which reduced its interest in advertising by selling WCRS Advertising Worldwide to Eurocom.

Eurocom, by buying 14.99% of WCRS Group, becomes one of its two biggest shareholders, along with Carat founders Gilbert and Francis Gross, who together own 14.99%.

The French agency is forming Eurocom WCRS Della Femina Ball as its major network by combining most of its agency holdings. (HDM will continue as a second network.)

Bartering, sponsoring and other TV-related ventures will be an important part of Carat's U.S. strategy, Mr. de Pouzilhac said.

"We have a very clear intention not to limit ourselves to space buying and to go into bartering and sponsoring both in the U.S. market and in the European market,"

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Interpublic's Marion Harper dead at 73

Adman pioneered network concept

By Fred Danzig

Marion Harper Jr. died of a heart attack Oct. 25 at his home in his native Oklahoma City, where he chose to live as a virtual recluse for the past 20 years. He was 73.

Funeral arrangements call for a private service. His former associates are planning a memorial service in New York at a later date.

Mr. Harper had, before his 40th year, begun planning for what became the Interpublic Group of Cos., the advertising industry's first globe-girdling marketing communications network.

With his considerable energy and talents as a salesman and motivator, plus his buoyant optimism, he saw his dream come true. "Trust your hopes, not your fears," was his rallying cry. Mr. Harper constantly presented his associates with new research techniques and theories as he challenged them to penetrate the human psyche in the cause of building sales for clients.

He achieved great wealth and worldwide recognition as the leader of McCann-Erickson. He was known as an advertising innovator and visionary, who not only introduced new methods of research, but initiated target marketing, and, more notably, the Interpublic concept of parallel agencies and agency networks to serve competing clients.

But over time, Mr. Harper's inability to cope with skyrocketing overhead brought

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Clockwise from top: Marion Harper Jr. receives the Flame of Freedom Award at the International Broadcasting Awards in 1964; a portrait from Bart Cummings' "Benevolent Dictators"; a pose during his Interpublic heyday; with Ron Rosenfeld (l.) and Len Sirowitz upon forming an agency in 1970.

Ad community tries to shake off quake

By Alice Z. Cuneo

SAN FRANCISCO—Bay area ad agencies have power, phone service and books back on shelves following the Oct. 17 earthquake, but psychological aftershocks, as well as commuter problems, have prevented a return to business as usual.

"It's hard to get your mind set on the meaningful pursuit of great

■ Future of Four A's Western regional meeting unsure—Page 73.

advertising when you've been through a life-threatening situation," said Dennis Wilkinson, president of DDB Needham Worldwide's office here.

"Things are not back to normal," he said. "If you walk down streets and talk to people and to clients, it's very different than it was."

"The productivity is not there; people are jumpy," said Agnieszka Winkler, president of Winkler McManus, who added that others often are startled by something as minor as someone running down the hall and shaking floorboards.

"There is very definitely some trauma" among Saatchi & Saatchi DFS/Pacific's 120 employees, said Ron Colnett, chairman-ceo.

"Some folks don't feel very comfortable in the building because it is not up to earthquake code," he said, though building owners report it didn't suffer structural damage during the quake.

To accommodate closure of the Bay Bridge, one of the area's main thoroughfares, many offices have instituted flex time, resulting in a jumble of schedules, with one department working from 7 a.m. to 4:30 p.m. and others starting at 9:30 a.m. and working later.

"Not everybody is here at 9 a.m. for meetings," Mr. Wilkinson said.

When Chairman-Creative Director Jef Loeb returned to his office at Katsin/Loeb & Partners, he discovered a crack so wide he could see through the wall. The city promptly condemned the structure.

That didn't bother President Daniel Katsin, who'd been coordinating the agency's move to a different building. Then the new landlord called: The new space had been condemned as well.

"Our objective is to make this disruption as invisible as possible. We're not going to miss one deadline. It's just another Katsin/Loeb challenge," said Mr. Katsin, whose car telephone became the office phone for a time. Since Oct. 17, work has been produced for several of the $9 million agency's clients, including Cellular One.

"I provide coffee and doughnuts. I'm hostess, maid, receptionist and art director. My cat serves as a paperweight."

The principals are working from Mr. Loeb's apartment; daily staff meetings are held in the home of Senior Art Director Pam Levinson.

"I provide coffee and doughnuts. I'm hostess, maid, receptionist and art director. My cat serves as a paperweight," she said.

Foote, Cone & Belding's San Francisco office welcomed back workers Oct. 23 with a breakfast buffet, including balloons and bright posters.

"It was very therapeutic. It allowed our 300 employees to talk about what they went through," said Exec VP-General Manager Jack Balousek, who was on the Bay Bridge at the time a section of it collapsed.

Fred Goldberg, president-ceo of Chiat/Day/Mojo, said he was assured damage to his office on Maiden Lane wasn't structural. But on rainy days following the quake, he was mopping up water. "When water comes in through a crack in the building, you wonder whether it's just surface damage," he said.

Two Chiat/Day/Mojo employees, among the more than 12 agency employees left homeless in San Francisco's Marina District, have taken up residence in suites on the penthouse floor of the building, a space often used as a northern California headquarters for Chairman Jay Chiat.

Many of the city's agencies have offered different forms of assistance to employees left homeless by quake damage.

Separately, J. Walter Thompson USA was among the San Francisco agencies that have rented apartments in the city for employees who attend evening meetings and would be getting home late and would face commuting problems the next day.

JWT also plans to designate employees' homes in the city as safe houses for workers who might be stranded by the next quake. The homes will be equipped with blankets, flashlights and emergency supplies.

"My favorite haunts, restaurants and clothing stores have been condemned," said Renate Witt, an executive assistant at McCann-Erickson Worldwide. "And they've put dynamite charges [in preparation for demolition] in a building across the street which moved 6 inches off the foundation.

"Other than that, things are as busy as ever." □

AT&T punches back

Countersuit charges MCI with false ad claims

By Kate Fitzgerald

AT&T Co. last week countersued MCI Communications Corp. for alleged "false and deceptive" advertising in what may be a landmark case.

The top two long-distance phone marketers are accusing one another of making deceptive claims about each other's prices, quality and service in TV and print ads earlier this year.

MCI fired the first volley in a complaint filed in U.S. District Court in Washington (AA, Oct. 16).

Last week, AT&T asked the same court to dismiss MCI's lawsuit and accused MCI of making similarly misleading claims.

N W Ayer, New York, is AT&T's agency; Wells, Rich, Greene handles MCI.

Both marketers have cited violations of the Lanham Act in the lawsuits, and both parties are seeking the same relief, including:

- A preliminary injunction forbidding the other from making additional false or deceptive ad claims.
- A court order requiring future MCI or AT&T ads to correct past deceptive claims.
- Award of all profits wrongfully amassed through deceptive advertising.
- Three times the damages sustained as a result of the other's deceptive advertising and court costs.

An MCI attorney said the case will "almost certainly" go to trial and will further define limits in comparative advertising.

Financial penalties in such cases can be enormous. In 1984, U-Haul International won a $40 million judgment against rival Jartran as compensation for deceptive claims; in 1989, Grand Metropolitan's Alpo Petfoods won a $10.4 million judgment against Ralston Purina Co.

"In effect, this will settle a lot of the disputes consumers have seen between the two long-distance carriers, and it will probably also be one of the leading cases in terms of deciding comparative advertising cases," said Richard Leighton of Leighton & Regnery, lead counsel for MCI.

When announcing AT&T's counterclaim, AT&T Group Executive Victor A. [illegible]n said, "We would prefer to do our talking in the marketplace and not in court and not in name-calling. But MCI, for whom legal actions are just another marketing tool, has once again turned to the courts—this time to attack our reputation."

MCI said it will file an answer to AT&T's countersuit within the next two weeks.

On Oct. 29, AT&T broke a new corporate ad campaign that steers clear of comparative claims by profiling several small businesses.

Several new spots were set to break that night on the AT&T-sponsored ABC-TV special, "The Final Days," or elsewhere on the same day if that program were bumped by the World Series.

The new commercials included two 2½-minute spots to introduce the new campaign. □

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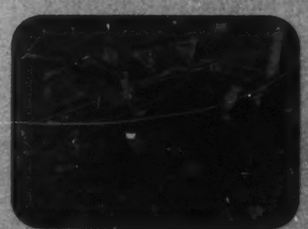
In order to capture the 18-to-35-year-old audience for WXRT Radio, a TV spot headlined "Move someplace cooler" shows a lizard lifting its feet off the hot sand.



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"Those who claim humorousness overwhelm with humorlessness" is just one lesson to be learned from Heinz Homestyle gravy and Lake View Cemetery commercials.

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Vol. 60, No. 47—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semiweekly the fourth week in March and the fourth week in September by Crain Communications Inc. at 740 Rush Street, Chicago, IL 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $74 a year, $124 two years. Add $115 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-6970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

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Consistent spenders log big recall

By Scott Hume

Sometimes the tortoise beats the hare.

The 10 most-recalled advertised brands in September were, in descending order from No. 1: Coca-Cola, Chevrolet, Pepsi-Cola, Miller (including Miller, Miller Lite and Miller Genuine Draft), Budweiser and Bud Light, McDonald's, Ford, Toyota, Oldsmobile and (tied for No. 10) General Motors and want ads/classified ads.

With the exception of the generic classifieds, all of those are well-established and heavily advertised. In fact, seven of the advertisers in the September 1989 top 10 also were among the top 10 in the September 1988 adWatch survey.

Another attribute they share is that they get what is really "continuity" advertising, relying more on long-term media weight than distinctive, short-term creative approaches.

An exception might be Oldsmobile, which makes an infrequent appearance among the top 10 on the strength of a TV campaign featuring children of celebrities.

Overall, however, the top 10 isn't a list of "cutting-edge" advertising. This doesn't mean that surprising advertising never gets remembered: Wendy's "Where's the beef?" and the California raisins have proved an advertiser can vault into the top 10 without heavy spending. But the instances are rare.

Consider the fate of some recent major ad campaigns designed to cut through the proverbial clutter:

Infiniti: The subject of much discussion, introductory advertising for this new car line doesn't show the car. It's striking and mysterious.

But memorable? Of the 1,000 people surveyed in September, Infiniti's was the first advertising to come to mind for just one respondent.

Acura: Another new car campaign—with a $100 million budget. This one earned three mentions.

Levi Strauss & Co.: The premier jeans marketer, which has had some of the most respected and honored advertising, launched a big new campaign, and it gets top-of-mind recall from two respondents out of 1,000. Friskies cat food did better (three).

Diet Coke: Coca-Cola Co. teamed up with the National Football League for an ad and promotion campaign featuring players from each pro team. Two respondents mentioned it as the first advertising that came to mind for them last month.

It took only 10 or more mentions to place among the top 10 in recall.

What the results suggest is that the "clutter" advertisers must cut through is actually in consumers' minds, where many advertisers' brands and messages are firmly established—that in addition to clutter in the ad media.

AdWatch is a joint project of *Advertising Age* and the Gallup Organization. Ad awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from among all ads seen, heard or read in the prior 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

Among items of interest in the September survey:

- Miller Brewing Co. ran a 16-month-long campaign for its Miller Lite in Texas, a campaign that culminated in a series of Miller-sponsored parties on Labor Day.

Given that localized effort, it's worth noting that 45% of the first mentions for Miller last month came from the South Central region. Miller was the fourth-most recalled advertiser nationally, but was No. 2 behind Coca-Cola in that region.

- Diet Coke received few mentions on the unaided question, but when respondents were asked which **soft-drink** advertising came to mind first, Diet Coke got 6.5% of first mentions, 2.6 points above its 3.9% share in August.

Pepsi-Cola was No. 1 with 35.3% of first mentions (vs. 35.8% in August); Coca-Cola was No. 2 with 33.9% (vs. 32.2%).

- Chevrolet ranked ahead of Ford in unaided awareness, but Ford remained the recall leader when respondents were asked which **car/truck** advertising first came to mind. But the race was close last month.

Ford was No. 1 with 19.7% of first mentions (down 2.5 points from 22.3% in August). Chevrolet was No. 2 with 19.2% (vs. 19% a month earlier). Toyota was No. 3 with 8% (vs. 7.4%). □

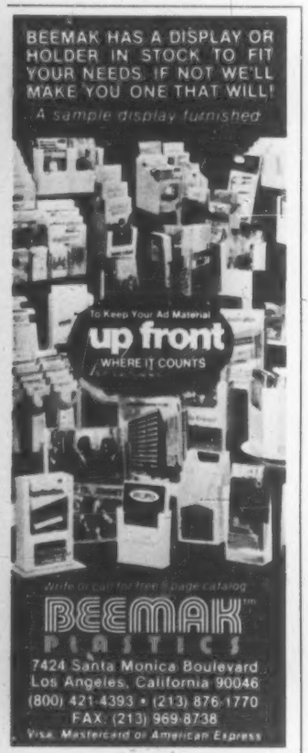
For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-8700.

AdWatch survey of advertising awareness top 10 in September

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 9/89	Rank 8/89	Advertiser	Agency
1	1	Coca-Cola	McCann-Erickson Worldwide
2	6	Chevrolet	Lintas:Campbell-Ewald
3	5	Pepsi-Cola	BBDO Worldwide
4	7	Miller	Backer Spielvogel Bates/Leo Burnett USA
5	2	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/ DDB Needham Worldwide
6	3*	McDonald's	Leo Burnett USA
7*	3*	Ford	J. Walter Thompson USA
7*	10	Toyota	Saatchi & Saatchi DFS/Pacific
9	—	Oldsmobile	Leo Burnett USA
10*	8	General Motors	N W Ayer
10*	—	Want ads/classifieds	Various

*Indicates a tie.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Sterling settles into a niche mode

By Raymond Serafin

Sterling Motor Cars is trimming its estimated $30 million ad budget at least temporarily as part of a five-year plan to become a full-fledged niche marketer.

Graham Morris, president of the importer, didn't detail how deep the cuts will go, but the reduction will basically come out of TV spending, where Sterling has emphasized spot and cable buys.

TV will get about 40% of the 1990 budget, compared with 70% in 1989, while print goes to 60% from 30%, Mr. Morris said.

Sterling's niche marketing strategy includes reintroducing at least one of several notable British car brands to the U.S. market by 1993 (AA, Oct. 23).

Sterling will have the pick of brands owned by British parent Rover Group, including Austin, Morris, Healey, MG, Triumph, Riley and Wolseley.

Mr. Morris said the car will be designed specifically for the U.S. market.

One possibility is that Sterling will bring out a car to take advantage of heightened interest in the two-seater segment because of the success of the Mazda Miata.

Ironically, the Miata is being marketed as a vehicle that's technologically updated but stylistically a romantic throwback to past British sports cars such as the MG.

"Miata has done a tremendous job of capitalizing on our heritage," Mr. Morris said, though he added that Sterling won't try to compete head-on with Miata.

Mr. Morris said Sterling's current agency, AC&R, New York, will handle the new nameplate.

"We've set ourselves the task of becoming a true niche marketer of luxury automobiles in the American market," Mr. Morris said.

The ad cuts come at a time when Sterling officials have decided to accept lower sales over the next year rather than prop up sales numbers with expensive incentives and low-profit fleet sales, Mr. Morris said.

Sales peaked at about 14,000 cars in 1987 and are expected to finish 1989 at about 6,000.

Mr. Morris foresees Sterling offering between two and four different platforms, each selling 4,000 to 5,000 units a year, by 1993.

The company will bring out a new coupe under the Sterling brand in 1992 as a new flagship and in the meantime will introduce a number of derivatives of its core 827 model. □

"... if one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours,"

—Henry David Thoreau

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